1ST QUARTER

1ER TRIMESTRE

micromedia
a division of IHS Canada

20 Victoria Street
Toronto, Ontario M5C 2N8
Tel.: (416) 362-5211
Toll Free: 1-800-387-2689
Fax: (416) 362-6161
Email: info@micromedia.on.ca

BRITISH COLUMBIA

BC STATS

Ministry of Management Services

Contact: Dan Schrier
Tel: (250) 387-0376
Release: June 2002
Issue: 02-1

Small Business Quarterly ◆ First Quarter 2002

- The number of self-employed in British Columbia rose once again in the first quarter of 2002, up 5.5% from the first quarter of 2001. The increase was due entirely to a jump in self-employed without paid help (+11.4% year-over-year) as the number with paid help actually declined (-5.5%).
- The number of small businesses in British Columbia (excluding self-employed persons) fell slightly (-0.2%) in the first quarter 2002 compared to the same period a year earlier. Micro-businesses (i.e., those employing less than 5 people) increased 1.9%, but all other size categories experienced some decline. Businesses with 5 to 9 employees fell 1.7% and the number of businesses with 10 to 19 employees dropped 4.3%. The largest decline was in the 20 to 49 employee category, which was down 5.3%.
- The number of employees of small businesses increased slightly (+0.2%) in the fourth quarter of 2001 compared to the same period in 2000. All the growth occurred in businesses with between 20-49 employees (+1.2%), as employment in businesses with fewer than 20 workers dropped for the third consecutive quarter (-0.3%).
- New business incorporations were down 3.8% in the first quarter of 2002, compared to the same quarter a year earlier. The 5,035 new incorporations were the lowest first quarter total since 1991.
- Business bankruptcies continued to rise in the first quarter with a year-over-year increase of 19.5%. The largest jumps were in manufacturing, construction and 'other services' industries. Conversely, consumer bankruptcies were down 1.4% compared to the first quarter of 2001.
- The number of commercial (-29.4% year-over-year) and industrial (-60.4%) building permits issued in BC continued to drop in the first quarter. However, urban housing starts were up 24.2%. Most of that increase occurred outside Vancouver, where starts were up only 6.3%.
- Interest rates bottomed out in the first quarter of 2002, with the prime rate hitting a low of 3.75% before starting to edge back up in April.
- Chartered bank business loans continued to decline in the first quarter, experiencing a 3.2% drop from first quarter 2001. The total value of loans has been falling since the beginning of 1999.

New Business Incorporations have continued to trend down after peaking in 1994

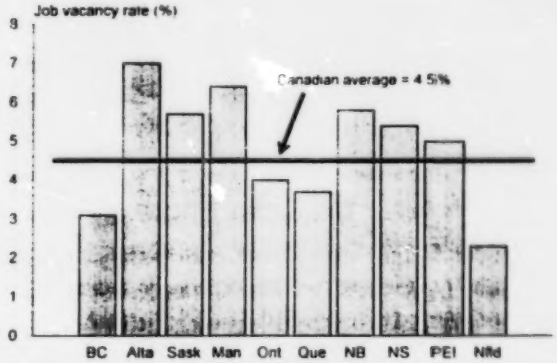
Will Retiring Boomers Lead to Labour Bust?

Concern over the issue of labour shortages tends to ebb and flow with the business cycle. In boom times, employers, particularly those in small and medium-sized enterprises (SMEs), tend to have problems finding qualified employees to fill job vacancies, while in times of economic recession, there is far less difficulty in this area. However, change in the economic cycle is just one of the causes of labour shortages. Structural factors such as changes to the demographics of the labour force, the introduction of new technology, the implementation of new regulations and so on, can also affect the supply of labour. While the labour supply issues resulting from the business cycle are generally self-correcting, the problems arising because of structural changes may be more serious and could require some kind of intervention on the part of both government and business.

Surveys conducted by the Canadian Federation of Independent Business (CFIB) show that labour shortages have been a steady concern for SMEs across the country for at least the last decade.[1] A BC Chamber of Commerce survey carried out in August 2001 corroborated the CFIB surveys, finding that small and medium-sized businesses in BC are having problems locating qualified workers to fill vacancies and have concerns about the issue of labour shortages.[2]

Although British Columbia is well below the Canadian average in terms of the rate of job vacancies according to the latest CFIB survey (January to March 2002), the CFIB estimates that there are currently 17,000 jobs available, of which approximately 13,000 have been vacant for more than four months.[3] The fact that there are this many jobs left unfilled at a time when the provincial economy has been struggling is an indication that these vacancies are more likely due to longer-term structural difficulties rather than short-term cyclical effects.

BC has a lower job vacancy rate than the Canadian average



Source: Canadian Federation of Independent Business

The sector identified as experiencing the most severe labour shortages across the country is the construction industry, with a vacancy rate of 7.2%, although rates are significant across most industries. Those in the construction and manufacturing sectors suggest that flaws in the education system are contributing to the lack of qualified labour, that the schools are not offering the trades as a viable career option. The BC Chamber of Commerce study identifies problems with the apprenticeship system that puts up barriers to SMEs through rigid regulations that make it unaffordable for these smaller businesses to institute training programs.

As society continues to evolve technologically, employers will likely demand a greater level of skill and there will be a larger num-

[1] CFIB, "Help Wanted: Results of CFIB Surveys on the Shortage of Qualified Labour," February 2001; and CFIB, "Help Wanted: Update: Labour Shortages Persist in the SME Sector," April 2002.

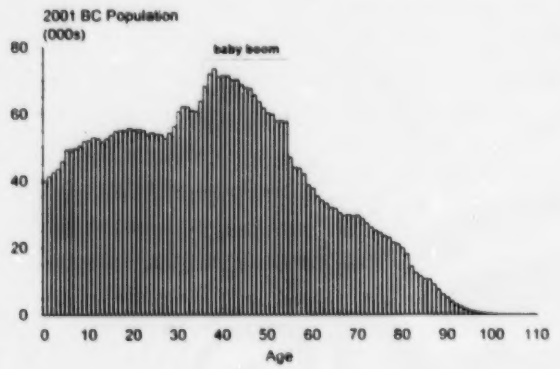
[2] British Columbia Chamber of Commerce, "Closing the Skills Gap," April 2002.

[3] CFIB, "Help Wanted: Update: Labour Shortages Persist in the SME Sector," April 2002.

ber of occupations requiring advanced training. In addition, increased globalisation will mean that there will be more competition for these highly skilled people. This suggests that more flexibility in regulations and a greater emphasis on education and training will be essential if labour shortages in some industries are to be avoided. These shortages could prove damaging to the economy if they should occur. According to the CFIB study, "Two-thirds of the firms that hired during the last year (67 per cent) stated that their firm's *long-term growth* is harmed by a lack of labour with the right skills."[4]

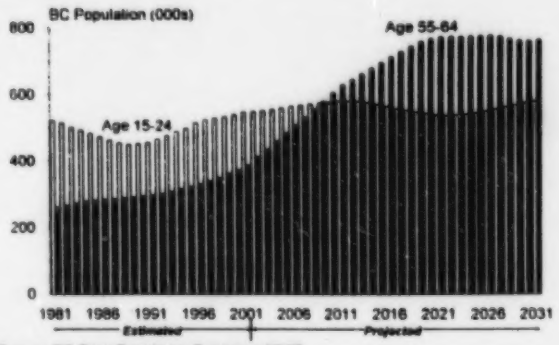
In addition to skills shortages, BC and the rest of Canada are also facing a shortage of workers regardless of skill level. The leading edge of the population bulge known as the baby boom is nearing retirement. This means that over the next five to ten years record numbers of people will be retiring leaving a significant number of job openings.

The baby boom cohort is inching toward retirement



The problem arises from the fact that with the retirement of the baby boomers, the labour pool available to replace them will be shrinking. Historically, the number of potential new entrants into the workforce (aged 15 to 24) has been well in excess of the number of people readying for retirement. The chart below shows that within the next 10 years this will no longer be the case.

The proportion of people entering retirement age will soon overtake the proportion of potential entrants into the workforce

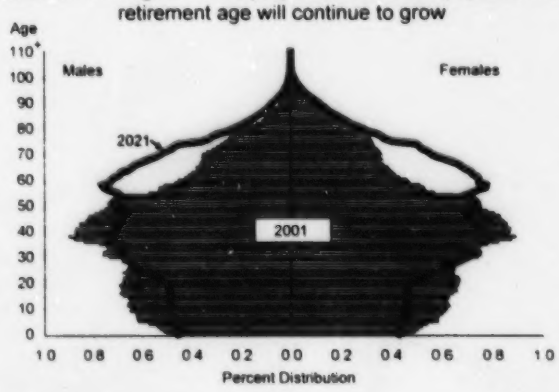


Source: BC Stats Population Projection 02/05

The number of 55 to 64 year olds is about to take off as baby boomers enter this age group. At the same time, the number of 15 to 24 year olds will remain fairly flat, meaning not only will the number of potential retirees exceed the number of new entrants into the labour force, but the gap will continue to widen for several years.

While immigration of skilled workers is an important component in addressing the impending labour shortage, it will be insufficient to solve the problem. Even with immigration, the number of people over 65 will continue to grow as a proportion of the population.

Even with immigration, the proportion of the BC population of retirement age will continue to grow



Source: BC Stats Population Projection 02/05

[4] CFIB, "Help Wanted: Results of CFIB Surveys on the Shortage of Qualified Labour," February 2001, p.6.

The ageing population will have a serious effect on labour force participation. According to a forecast developed by BC Stats,[5] even if participation rates remain unchanged from their present levels, labour force participation in BC will decline substantially. This is because there tends to be far less labour force participation among older age groups.

It may seem that based on today's labour force structure, British Columbia could be doomed to suffer severe labour shortages; however, this does not have to be the case. The labour force will evolve over time as it has in the past. Forty years ago there was relatively little female participation in the labour force and retiring before the age of 65 was virtually unheard of. Now women are an integral part of the workforce and early retirement is reasonably common.

In the future, it is likely that there will be far more flexibility in employment. Employers will recruit labour from groups that have to this point been under-represented in the labour force, such as people with disabilities and the elderly. Early retirement will probably be less of an option and perhaps a mandatory retirement age will be a thing of the past, allowing older workers who wish to continue working to do so. There will likely be more opportunities for part-time work as well as other flexible work arrangements, such as working from home. Increases in productivity through investment in capital may also help alleviate some of the labour shortage.

This should not be construed as supporting a "don't worry, be happy" approach, however. These kinds of labour force adjustments take time. Also, as the demographic make-up of the province changes, the kinds of goods and services needed also change.

An ageing population will undoubtedly put pressure on the health care system, which will result in an increased demand for health care professionals. The increasing technological requirements of many types of employment will probably lead to a greater demand for educators. Highly skilled professions like these require substantial lead-time for training, not to mention a significant commitment on the part of government and business to provide that training.

The combination of demographic ageing, an increasingly technological society and the shift toward globalisation will result in a far different labour situation than has been experienced in the past. Consequently, it is no longer an option to turn a blind eye to the problem and expect the normal market adjustments to work things out. However, with some innovative approaches and co-operation among government, business and labour, the doomsayers' predictions of massive labour shortages should be avoidable.

[5] Dan Schrier, "British Columbia Labour Force Participation Rate Model," Population Section, BC Stats, June 2000.

Feature Articles Listed by Issue Number

01-4: *'Expectations of Manufacturers Showing Signs of Improvement'* (released Mar.2002)

01-3: *'Business and Consumer Bankruptcies are on the Rise in BC'* (released Jan.2002)

01-2: *'The Benefits and Costs of a Higher Minimum Wage'* (released Nov.2001)

01-1: *'Small Business On-Line: Internet Use Among SMEs'* (released Sept. 2001)

00-4: *'Co-operatives Grew Steadily Throughout the 1990s'* (released May 2001)

00-3: *'Profile of Self-Employed in British Columbia'* (released Mar.2001)

00-2: *'Latest Small Business Employment Numbers Show Three Year Changes'* (released Jan. 2001)

00-1: *'Some Distinctive Features of The Small Business Workplace'* (released Oct. 2000)

99-4: *'Transfers of Corporate Charters to Other Provinces Suggest Business Migration From British Columbia'* (released July 2000)

99-3: *'755 Thousand British Columbians Rely On Small Businesses For Jobs'* (released Mar 2000)

99-2: *'A Quarter of All Employees In British Columbia Work For Small Employers'* (released Nov 1999)

99-1: *'Self-Employment In British Columbia Takes On New Profile'* (released Sep 1999)

98-4: *'Co-Operative Movement Grows Through the 1990s'* (released Apr 1999)

98-3: *'The Long and the Short of Working Hours For Self-Employed'* (released Dec1998)

98-2: *'People Trying Self-Employment As A Second Job'* (released Aug 1998)

98-1: *'British Columbians Still Making Their Own Jobs'* (released May 1998)

97-4: *'Business Bankruptcies Ease With Low Interest Rates, But Consumer Bankruptcies Continue to Climb'* (released Mar 1998)

97-3: *'Co-operative Movement Grows Steadily In British Columbia'* (released Jan 1998)

97-2: *'Doing Our Thing In Lotusland – The New Self-Employed In British Columbia'* (released Sep 1997)

97-1: *'Immigrants Boost Self-Employment In British Columbia'* (released Aug 1997)

96-4: *'More British Columbia Companies Shift Corporate Charters to Alberta and Ontario'* (released Apr 1997)

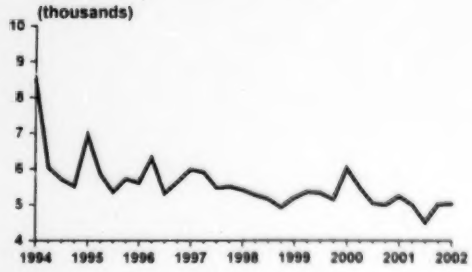
96-3: *'Changes in Business Confidence Expressed In Numbers of New Incorporations'* (released Mar 1997)

96-2: *'Bankruptcies Rise With Self-Employment and Mounting Consumer Debt Loads'* (released Oct 1996)

96-1: *'Counting the Business Community in British Columbia'* (released Jul 1996)

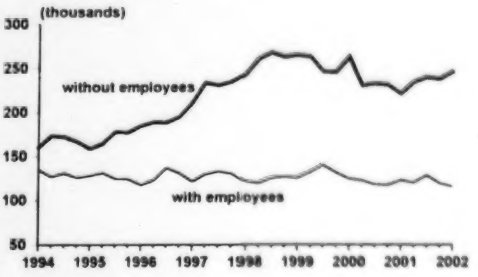
Business Counts, Formations and Failures

New Business Incorporations in British Columbia

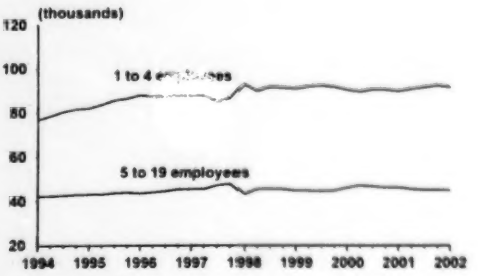


Number of Business Bankruptcies in British Columbia

Self-Employed Persons

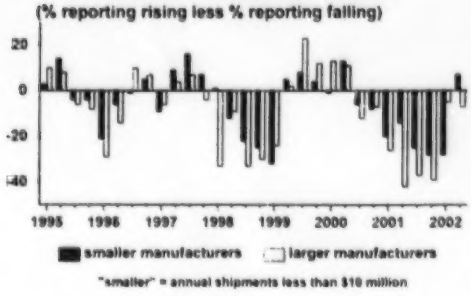


Small Businesses With Employees

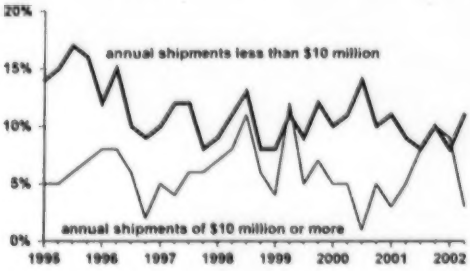


Business Conditions

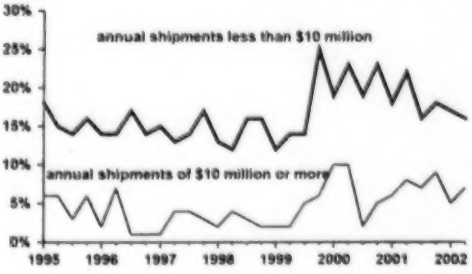
Balance of Opinion on New Orders Received at Start of Quarter



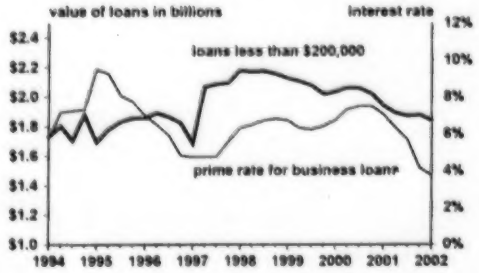
Per Cent of Manufacturers Experiencing Shortage of Working Capital



Per Cent of Manufacturers Experiencing Shortage of Skilled Labour



Chartered Bank Business Loans in British Columbia



Small Business Quarterly

Table 1

Period	Active Employer Businesses [1] by number of employees					Employment [2] by number of employees in business				Self-employed [3]		
	Total	1-4	5-9	10-19	20-49	Total [4]	1-19	20-49	50+	Total [5]	with paid help	without paid help
	('000)					('000)				('000)		
Annual Averages												
1998	153.7	91.6	26.9	18.2	11.5					388.6	123.6	258.3
1999	154.6	92.0	26.8	18.2	11.9					392.6	132.5	254.9
2000	156.6	90.5	27.5	19.3	13.0	1,567.8	411.8	182.0	974.0	366.1	121.0	239.2
2001	156.9	91.5	27.2	18.5	12.4	1,588.4	412.3	186.4	989.8	360.4	123.1	233.3
% change 2000-2001	0.1%	1.1%	-1.1%	-3.8%	-4.4%	1.3%	0.1%	2.4%	1.6%	-1.6%	1.7%	-2.5%
Quarterly	*End of Quarter*					*Quarterly*				*Quarterly Averages*		
1998 Q1	152.7	93.0	26.0	17.4	11.0					370.1	121.8	242.5
Q2	153.1	90.1	27.2	18.5	11.8					389.5	120.0	260.4
Q3	154.7	92.0	27.3	18.6	11.5					400.3	125.7	267.5
Q4	154.0	91.5	27.1	18.5	11.5					394.6	127.1	262.6
1999 Q1	153.5	91.2	26.8	18.2	11.7					394.9	125.7	264.9
Q2	154.6	92.2	26.8	18.2	11.8					399.7	132.3	263.0
Q3	155.2	92.6	26.7	18.2	12.1					392.2	140.2	246.1
Q4	154.9	92.0	26.8	18.2	12.2					383.6	131.8	245.5
2000 Q1	155.4	90.6	27.4	18.9	12.6	1,511.0	398.4	173.4	939.1	392.8	124.7	262.6
Q2	156.6	89.8	27.8	19.6	13.3	1,576.6	414.0	182.7	979.9	360.6	122.9	230.4
Q3	157.2	90.9	27.6	19.5	13.1	1,586.1	422.0	189.6	974.5	358.1	118.5	232.6
Q4	157.4	90.8	27.4	19.1	12.9	1,597.4	412.9	182.2	1,002.4	353.0	117.7	231.4
2001 Q1	156.6	90.1	27.4	19.0	12.8	1,567.3	404.1	179.1	984.0	346.9	123.1	221.1
Q2	156.6	91.1	27.3	18.5	12.4	1,601.4	413.3	188.3	999.8	359.2	120.5	234.4
Q3	156.9	92.0	27.1	18.4	12.3	1,596.5	419.8	193.7	983.1	372.4	128.9	239.8
Q4	157.4	92.7	27.1	18.3	12.2	1,588.3	411.8	184.4	992.2	363.2	119.7	238.0
2002 Q1	156.2	91.9	27.0	18.2	12.1	-	-	-	-	366.1	116.3	246.2
% change year-over-year last available quarter	-0.2%	1.9%	-1.7%	-4.3%	-5.3%	-0.6%	-0.3%	1.2%	-1.0%	5.5%	-5.5%	11.4%
Monthly												
Jun-01										365.1	121.3	239.6
Jul-01										377.8	124.3	249.3
Aug-01										374.6	135.9	235.3
Sep-01										364.8	126.6	234.9
Oct-01										366.8	128.4	233.6
Nov-01										365.3	118.2	241.4
Dec-01										357.6	112.5	239.0
Jan-02										367.3	112.1	249.2
Feb-02										361.7	117.8	241.4
Mar-02										369.3	119.1	248.1
Apr-02										375.3	126.2	247.4
May-02										374.9	133.5	239.7
year-to-date										369.7	121.7	245.2
% change year-over-year last available month										5.2%	13.8%	2.2%

Notes:

[1] Source: Business Register

[2] Source: Survey of Employment, Payroll and Hours

[3] Source: Labour Force Survey

[4] Industrial aggregate excluding unclassified

[5] Total self-employed includes persons working in family business without pay

Source: Statistics Canada.
Copyright material reproduced with permission.

Period	Business Formation Indicators			Bankruptcies	
	New BC Business Incorporations	Registrations Extraprovincial Companies	Registrations Unincorporated Businesses	Business	Consumer
	(number)			(number)	
Annual Totals					
1993	22,955	1,778	15,939	830	4,041
1994	25,774	1,915	18,293	827	4,197
1995	23,846	1,966	19,279	973	4,747
1996	22,848	2,061	20,367	948	6,436
1997	22,958	2,188	19,863	895	7,366
1998	20,759	2,233	19,507	1,031	7,327
1999	21,009	2,366	20,917	1,075	8,179
2000	21,515	2,528	20,822	976	9,181
2001	19,749	2,479	21,306	1,100	9,474
% change 2000-2001	-8.2%	-1.9%	2.3%	12.7%	3.2%
Quarterly Totals					
1998 Q1	5,412	632	4,668	206	1,663
Q2	5,270	584	5,907	261	2,107
Q3	5,154	525	4,749	289	1,752
Q4	4,923	492	4,183	275	1,805
1999 Q1	5,188	578	5,015	284	2,024
Q2	5,362	637	5,612	274	2,138
Q3	5,322	556	5,093	274	1,919
Q4	5,137	595	5,197	243	2,098
2000 Q1	6,011	651	5,626	250	2,354
Q2	5,471	680	5,590	243	2,350
Q3	5,044	578	5,026	251	2,216
Q4	4,989	619	4,580	232	2,261
2001 Q1	5,236	714	5,400	272	2,503
Q2	4,997	663	5,853	270	2,483
Q3	4,504	546	4,959	236	2,232
Q4	5,012	556	5,094	322	2,256
2002 Q1	5,035	604	5,335	325	2,469
year last available quarter	-3.8%	-15.4%	-1.2%	19.5%	-1.4%
Monthly					
Jun-01	1,661	192	1,572	88	847
Jul-01	1,585	217	1,609	79	694
Aug-01	1,536	170	2,053	87	827
Sep-01	1,383	159	1,297	70	711
Oct-01	1,785	219	1,992	117	840
Nov-01	1,667	193	1,803	109	795
Dec-01	1,560	144	1,299	96	621
Jan-02	1,504	165	1,807	103	805
Feb-02	1,876	214	1,890	118	803
Mar-02	1,655	225	1,638	104	861
Apr-02	1,944	210	2,339	119	846
May-02	1,849	216	2,115	-	-
year-to-date	8,828	1,030	9,789	444	3,315
% change year-over-year last available month	0.4%	-21.5%	-11.7%	29.3%	13.7%

Sources: BC Ministry of Finance and Corporate Relations, Industry Canada

Period	Interest Rates			Exchange Rate	Consumer Price Index		
	Bank Rate	Prime Rate	Conventional 5 Year Mortgage	Canadian $ Average Noon Spot Rate	BC	Vancouver*	Victoria*
	(per cent)			(U.S. ¢)	(1992=100)		
Annual Averages							
1997	3.52	4.96	7.07	72.24	109.7	109.8	109.7
1998	5.10	6.60	6.93	67.48	110.0	110.4	110.0
1999	4.92	6.44	7.56	67.32	111.2	111.4	111.1
2000	5.77	7.27	8.35	67.34	113.3	113.9	113.0
2001	4.31	5.81	7.40	64.58	115.2	116.0	114.3
% change 2000-2001	N/A	N/A	N/A	-4.1%	1.7%	1.8%	1.2%
difference 2000-2001	-1.46	-1.46	-0.95	N/A	N/A	N/A	N/A
Quarterly Averages							
1998 Q1	4.83	6.33	6.85	69.92	109.7	110.0	109.8
Q2	5.00	6.50	6.95	69.13	110.2	110.6	110.2
Q3	5.25	6.75	7.08	66.03	110.3	110.6	110.1
Q4	5.33	6.83	6.83	64.84	109.9	110.2	109.9
1999 Q1	5.17	6.75	6.92	66.17	110.1	110.3	110.0
Q2	4.83	6.33	7.32	67.90	111.2	111.4	111.1
Q3	4.75	6.25	7.75	67.30	112.0	112.1	111.9
Q4	4.92	6.42	8.25	67.90	111.6	111.8	111.5
2000 Q1	5.25	6.75	8.48	68.80	111.7	112.1	111.5
Q2	5.83	7.33	8.52	67.56	112.8	113.3	112.7
Q3	6.00	7.50	8.25	67.47	114.2	115.0	113.7
Q4	6.00	7.50	8.15	65.55	114.4	115.1	114.0
2001 Q1	5.58	7.08	7.58	65.47	113.5	114.4	112.5
Q2	4.83	6.33	7.67	64.89	115.6	116.3	114.8
Q3	4.17	5.67	7.50	64.69	116.4	117.2	115.4
Q4	2.67	4.17	6.87	63.28	115.2	116.0	114.6
2002 Q1	2.25	3.75	7.05	62.72	116.0	116.8	115.5
% change year-over-year last available quarter	N/A	N/A	N/A	-4.2%	2.2%	2.1%	2.6%
difference year-over-year last available quarter	-3.33	-3.33	-0.53	N/A	N/A	N/A	N/A
Monthly							
Jun-01	4.75	6.25	7.75	65.60	116.3	117.0	115.4
Jul-01	4.50	6.00	7.75	65.34	116.3	117.0	115.4
Aug-01	4.25	5.75	7.60	64.93	116.1	117.0	115.2
Sep-01	3.75	5.25	7.15	63.79	116.7	117.5	115.7
Oct-01	3.00	4.50	6.90	63.65	115.8	116.5	115.2
Nov-01	2.50	4.00	6.85	62.80	114.9	115.6	114.4
Dec-01	2.50	4.00	6.85	63.39	114.8	115.8	114.3
Jan-02	2.25	3.75	7.00	62.49	115.4	116.3	114.9
Feb-02	2.25	3.75	6.85	62.66	115.9	116.6	115.4
Mar-02	2.25	3.75	7.30	63.01	116.6	117.4	116.1
Apr-02	2.50	4.00	7.45	63.24	117.7	118.4	117.1
May-02	2.50	4.00	7.40	64.53	118.1	119.0	117.6
% change year-over-year last available month	-47.4%	-36.0%	-4.5%	-0.5%	2.2%	2.3%	2.4%

* Census Metropolitan Area

Sources: Bank of Canada, Statistics Canada.

Period	Commercial Building Permits			Industrial Building Permits			Urban Housing Starts	
	BC	Vancouver*	Victoria*	BC	Vancouver*	Victoria*	BC	Vancouver*
	($ thousands)			($ thousands)			(number)	
Annual Totals								
1993	892,174	503,579	70,227	177,800	74,696	4,960	38,173	21,307
1994	1,075,471	632,415	84,002	175,311	69,495	7,963	34,619	20,473
1995	1,023,877	597,580	57,744	247,133	109,178	10,626	23,604	14,992
1996	1,225,837	675,541	88,661	252,646	151,875	5,499	24,744	15,453
1997	1,358,450	849,207	78,280	285,814	163,773	6,777	25,210	15,950
1998	1,311,124	810,117	76,173	273,279	160,652	15,858	17,631	11,878
1999	1,142,105	652,159	101,453	319,145	172,604	5,931	14,176	8,677
2000	1,297,270	868,865	76,834	295,525	147,574	14,763	12,353	8,203
2001	1,171,233	718,860	86,782	221,353	105,178	21,843	15,689	10,862
% change 2000-2001	-9.7%	-17.3%	12.9%	-25.1%	-28.7%	48.0%	27.0%	32.4%
Quarterly Totals								
1998 Q1	242,540	170,981	12,321	66,397	47,375	6,817	4,067	2,880
Q2	345,884	189,811	36,755	57,163	27,264	4,232	4,957	3,318
Q3	416,912	261,252	13,048	97,057	60,509	1,566	5,291	3,489
Q4	305,788	188,073	14,049	52,662	25,504	3,243	3,316	2,191
1999 Q1	226,757	135,329	25,624	41,266	17,534	3,190	2,709	1,951
Q2	311,707	170,971	19,066	103,901	71,354	789	3,507	1,861
Q3	311,474	193,701	21,393	109,850	62,438	479	4,148	2,497
Q4	292,167	152,158	35,370	64,128	21,278	1,473	3,812	2,368
2000 Q1	310,172	243,234	10,966	60,084	20,194	1,258	2,219	1,527
Q2	363,163	205,899	30,805	83,816	44,182	6,223	3,559	2,468
Q3	336,460	218,441	17,911	78,563	41,930	364	3,310	1,989
Q4	287,475	201,291	17,152	73,062	41,268	6,918	3,265	2,219
2001 Q1	273,963	162,249	23,467	65,245	30,677	9,657	2,946	2,149
Q2	406,173	271,274	26,720	56,965	21,011	2,133	4,619	3,620
Q3	280,778	159,138	15,570	57,121	29,033	7,512	4,176	2,802
Q4	210,319	126,199	21,025	42,022	24,457	2,541	3,948	2,291
2002 Q1	193,334	121,468	18,170	25,849	12,710	2,091	3,659	2,285
% change year-over-year last available quarter	-29.4%	-25.1%	-22.6%	-60.4%	-58.6%	-78.3%	24.2%	6.3%
Monthly								
Jun-01	136,458	65,583	11,046	16,692	8,252	172	1,633	1,296
Jul-01	112,742	77,799	5,329	20,184	7,001	4,476	1,500	1,111
Aug-01	98,584	44,788	2,779	20,077	11,922	2,797	1,189	739
Sep-01	69,452	36,551	7,462	16,860	10,110	239	1,487	952
Oct-01	103,408	78,083	5,636	17,653	9,748	1,376	1,529	788
Nov-01	54,871	26,654	2,394	14,551	7,475	739	1,376	750
Dec-01	52,040	21,462	12,995	9,818	7,234	426	1,043	753
Jan-02	67,307	41,084	4,567	9,047	4,583	633	1,310	1,001
Feb-02	53,589	28,893	9,316	7,837	4,898	1,081	1,049	519
Mar-02	72,438	51,491	4,287	8,965	3,229	377	1,300	765
Apr-02	103,276	83,915	5,600	40,317	31,458	176	1,149	680
May-02	-	-	-	-	-	-	1,971	1,339
year-to-date	296,610	205,383	23,770	66,166	44,168	2,267	6,779	4,304
% change year-over-year last available month	-29.5%	-27.5%	-29.8%	88.5%	380.0%	-85.7%	21.8%	1.5%

* Census Metropolitan Area

Sources: Canada Mortgage and Housing, Statistics Canada.
Copyright material reproduced with permission.

Period	Chartered Bank Business Loans in British Columbia			
	Less than $200,000	$200,000 to $500,000	Greater than $500,000	Total
	($ millions)			
Annual Averages				
1993	1,480	1,003	8,897	11,380
1994	1,779	1,222	8,551	11,551
1995	1,791	1,451	9,043	12,284
1996	1,861	1,508	9,162	12,530
1997	1,985	1,724	10,081	13,790
1998	2,172	1,825	11,077	15,074
1999	2,084	1,710	10,807	14,601
2000	2,045	1,605	10,575	14,224
2001	1,896	1,516	9,746	13,158
% change 2000-2001	-7.3%	-5.5%	-7.8%	-7.5%
Quarterly				
1995 Q1	1,694	1,413	9,268	12,375
Q2	1,779	1,457	9,047	12,283
Q3	1,832	1,462	9,020	12,314
Q4	1,859	1,471	8,835	12,165
1996 Q1	1,860	1,487	8,988	12,335
Q2	1,893	1,512	9,094	12,499
Q3	1,864	1,501	9,252	12,617
Q4	1,825	1,533	9,312	12,670
1997 Q1	1,686	1,534	9,853	13,073
Q2	2,068	1,751	9,751	13,570
Q3	2,088	1,770	10,337	14,195
Q4	2,098	1,841	10,384	14,323
1998 Q1	2,180	1,842	11,115	15,137
Q2	2,174	1,842	11,338	15,354
Q3	2,178	1,816	11,104	15,098
Q4	2,157	1,801	10,750	14,708
1999 Q1	2,128	1,792	10,908	14,828
Q2	2,108	1,735	10,975	14,818
Q3	2,080	1,686	10,876	14,642
Q4	2,020	1,627	10,467	14,114
2000 Q1	2,035	1,631	10,636	14,302
Q2	2,063	1,638	10,812	14,513
Q3	2,059	1,586	10,608	14,253
Q4	2,021	1,564	10,244	13,829
2001 Q1	1,942	1,561	10,171	13,674
Q2	1,890	1,539	9,552	12,981
Q3	1,873	1,502	9,599	12,974
Q4	1,879	1,461	9,662	13,002
2002 Q1	1,842	1,484	9,912	13,238
% change year-over-year last available quarter	-5.1%	-4.9%	-2.5%	-3.2%

Source: Bank of Canada

Period	Manufacturers' Outlook for Business Conditions Companies With Annual Shipments Less Than $10 Million Balance of Opinion at the Beginning of Quarter* (net of positive & negative percentages) Inventory Levels High or Low	Orders Rising or Falling	Anticipated Production This Quarter	Percent of Manufacturers Experiencing Production Difficulties From: Working Capital Shortage	Skilled Labour Shortage	Unskilled Labour Shortage
	(index)			(%)		
Annual Averages						
1995	9	2	4	16	16	2
1996	4	-6	-2	12	15	1
1997	3	6	4	11	15	2
1998	7	-15	-9	10	14	1
1999	6	-4	7	10	16	1
2000	7	-1	5	11	21	2
2001	10	-22	-10	10	19	3
Quarterly						
1996 Q1	3	-21	-21	12	14	2
Q2	10	-6	15	15	14	0
Q3	1	-1	6	10	17	1
Q4	1	5	-9	9	14	2
1997 Q1	0	-9	-10	10	15	2
Q2	0	9	25	12	13	1
Q3	8	16	13	12	14	1
Q4	4	7	-11	8	17	3
1998 Q1	6	1	-9	9	13	0
Q2	6	-12	18	11	12	1
Q3	9	-22	-15	13	16	0
Q4	8	-25	-29	8	16	3
1999 Q1	6	-32	-20	8	12	2
Q2	5	5	29	11	14	0
Q3	8	8	21	9	14	1
Q4	4	4	-3	12	25	2
2000 Q1	4	-1	-5	10	19	1
Q2	9	13	24	11	23	2
Q3	7	-6	7	14	19	2
Q4	6	-8	-5	10	23	4
2001 Q1	7	-20	-8	11	18	2
Q2	13	-14	13	9	22	3
Q3	8	-25	-7	8	16	2
Q4	11	-28	-37	10	18	3
2002 Q1	4	-28	-15	8	17	4
Q2	2	7	24	11	16	2

* **Note:** For Inventory Levels, a positive balance indicates too much inventory, and is thus unfavourable. For New Orders and Production, a positive balance of opinion is favourable.

Note: These data are gathered from the *Business Conditions Survey* which is conducted quarterly in January, April, July and October. Most responses are recorded in the first two weeks of these months. Manufacturers with more employees have a correspondingly larger impact on the results.

Source: Statistics Canada.
Copyright material reproduced with permission.

Period	Manufacturers' Outlook for Business Conditions — Companies With Annual Shipments of $10 Million or More					
	Balance of Opinion at the Beginning of Quarter* (net of positive & negative percentages)			Percent of Manufacturers Experiencing Production Difficulties From:		
	Inventory Levels High or Low	Orders Rising or Falling	Anticipated Production This Quarter	Working Capital Shortage	Skilled Labour Shortage	Unskilled Labour Shortage
	(index)			(%)		
Annual Averages						
1995	17	1	-1	6	5	0
1996	30	-7	-7	6	3	0
1997	29	0	4	5	3	0
1998	37	-26	-7	8	3	0
1999	18	3	6	7	4	0
2000	20	1	3	4	7	2
2001	35	-36	-13	7	8	1
Quarterly						
1996 Q1	37	-29	-12	8	2	0
Q2	33	-14	-3	8	7	0
Q3	29	10	-2	6	1	0
Q4	21	7	-10	2	1	0
1997 Q1	31	-6	-1	5	1	0
Q2	31	4	15	4	4	0
Q3	24	7	13	6	4	0
Q4	28	-4	-13	6	3	0
1998 Q1	42	-33	-22	7	2	0
Q2	34	-9	1	8	4	0
Q3	33	-33	-2	11	3	0
Q4	38	-30	-4	6	2	1
1999 Q1	25	-24	-4	4	2	0
Q2	22	2	8	12	2	0
Q3	14	23	18	5	5	0
Q4	11	12	0	7	6	0
2000 Q1	14	13	8	5	10	3
Q2	24	11	10	5	10	3
Q3	29	-12	2	1	2	0
Q4	11	-7	-8	5	5	0
2001 Q1	32	-26	-12	3	6	0
Q2	38	-42	-3	5	8	0
Q3	39	-37	-19	8	7	1
Q4	31	-39	-17	10	9	1
2002 Q1	17	-5	-3	9	5	1
Q2	17	-7	4	3	7	0

* **Note:** For Inventory Levels, a positive balance indicates too much inventory, and is thus unfavourable. For New Orders and Production, a positive balance of opinion is favourable.

Note: These data are gathered from the *Business Conditions Survey* which is conducted quarterly in January, April, July and October. Most responses are recorded in the first two weeks of these months. Manufacturers with more employees have a correspondingly larger impact on the results.

Source: Statistics Canada.
Copyright material reproduced with permission.

2ND QUARTER

2E TRIMESTRE

micromedia
a division of IHS Canada

20 Victoria Street
Toronto, Ontario M5C 2N8
Tel.: (416) 362-5211
Toll Free: 1-800-387-2689
Fax: (416) 362-6161
Email: info@micromedia.on.ca

BRITISH COLUMBIA

BC STATS

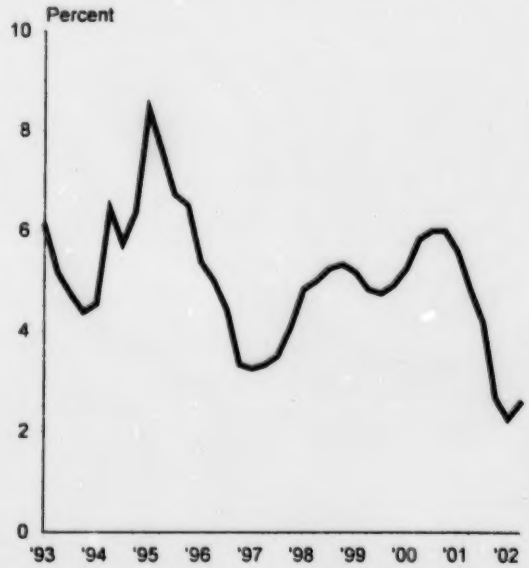
Ministry of Management Services

Contact: Dan Schrier
Tel: (250) 387-0376
Release: September 2002
Issue: 02-2

Small Business Quarterly ◆ Second Quarter 2002

- For the fourth consecutive quarter there was a year-over-year increase in the number of self-employed in British Columbia (+4.7%). Both self-employed with (+7.6%) and without paid help (+4.5%) experienced strong growth.
- The number of small businesses in British Columbia (excluding self-employed persons) fell slightly (-0.1%) in the second quarter 2002 compared to the same period a year earlier. Micro-businesses (i.e., those employing less than 5 people) increased 0.6%, but all other size categories experienced some decline.
- The number of employees of small businesses in the first quarter of 2002 was virtually unchanged from the same period a year earlier. A 0.6% decline in employment in businesses with 1-19 employees was offset by a 1.5% rise in employment in those businesses with 20-49 workers.
- New business incorporations rebounded from an almost two-year slump in the second quarter, jumping 8.4% over the number posted a year earlier. The 5,417 new incorporations were the most since the first quarter of 2000.
- Business bankruptcies experienced another increase in the second quarter with a year-over-year increase of 10.7%. The 299 bankruptcies constitute the highest second quarter figure in at least a decade. Consumer bankruptcies, on the other hand, fell slightly (-0.4%) compared to the first quarter of 2001.
- The number of commercial building permits issued in BC experienced a fourth straight year-over-year decline in the second quarter, dropping 13.1% from the same period in 2001. Conversely, industrial building permits rose substantially, up 34.1% over the second quarter of 2001. In Vancouver, the number of industrial building permits issued was double that of a year ago.
- Interest rates have started to climb back up after bottoming out in the first quarter, but are still well below the rates recorded in the same period last year. The bank rate and prime rate were 2.25 points lower in the second quarter 2002 compared to a year earlier. As of August, the rates are still 1.25 points lower than a year ago.

The Bank Rate is starting to edge up, but it is still comparatively low



A Comparison of Small Business Size, 1993 and 2001

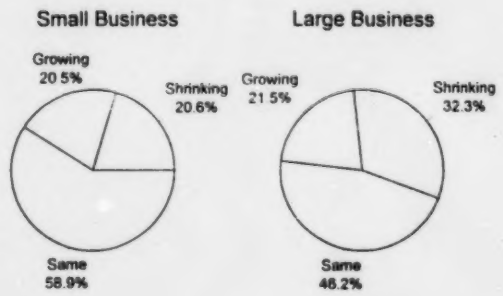
The phenomenon of businesses starting small and growing into larger enterprises is often viewed as an important factor in economic development. This article uses data from Statistics Canada's *Business Register* (BR) to compare small businesses by employment size in 1993 versus 2001 in British Columbia to see what kind of changes occurred over that period. Only those establishments that existed in both years were examined. Establishments that were coded as *Indeterminate*[1] in the 2001 BR were excluded because this category was not compiled in 1993 and the nature of the category makes comparisons of employee size over time impossible. There were a total of 53,041 businesses with one or more employees that existed in both the 1993 and 2001 data.

Change in business size

Of the 53,041 businesses that existed in both years, about 58% remained within the same employee size class,[2] while equal percentages (21% each) advanced to a larger employee size category or dropped to a smaller size level. While the story remains the same for small businesses, there was more of a split between growing and shrinking large businesses (i.e., those with 50 or more employees). About 46% of large businesses remained in the same employee size category as they were in 1993, 22% had added employees and 32% had diminished in size.

There were 1,591 establishments that were small businesses in 1993, which grew into large businesses by 2001. On the other hand, 632 businesses shed enough employees to go from being a large business in 1993 to a small business eight years later. While most size changes involved rising or falling one size class, there were some significant changes where businesses that had a handful of employees in 1993 employed hundreds in 2001, and vice versa.

Employee size change for BC businesses,1993-2001



Change in size by region[3]

The regional districts having the greatest percentage of small businesses that underwent growth in employee size between 1993 and 2001 were:

1. Northern Rockies (31%)
2. Squamish-Lillooet (28%)
3. Central Coast (24%)
4. Kootenay-Boundary (23%)
5. Greater Vancouver (22%)

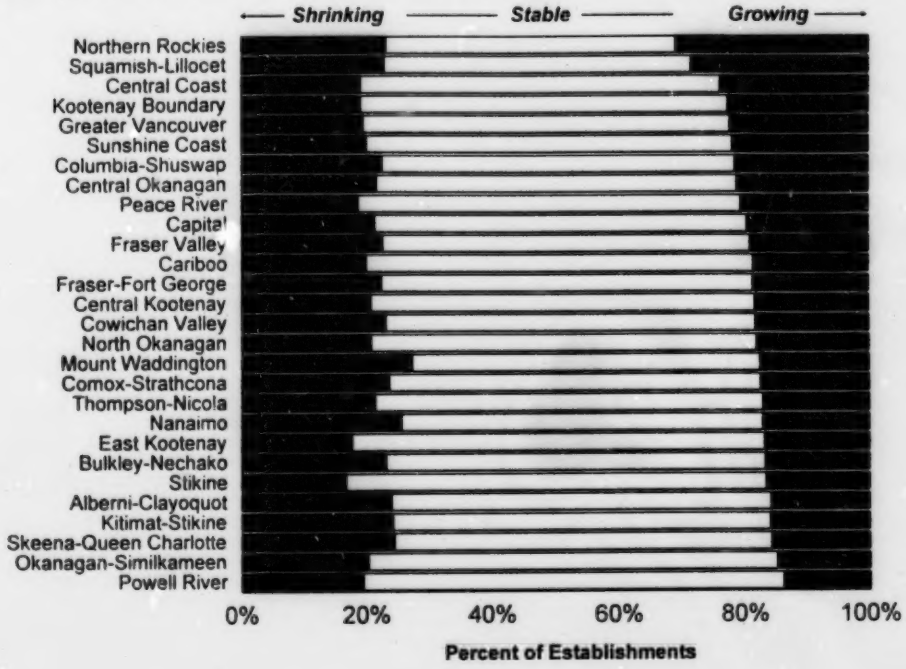
These regions were also among only seven regions (Peace River and Sunshine Coast were the others) that had a greater number of small businesses that grew in employee class size than those that experienced a decline.

[1] Establishments in the *Indeterminate* category do not have an employee payroll, but it is possible they may employ contractors or family members.

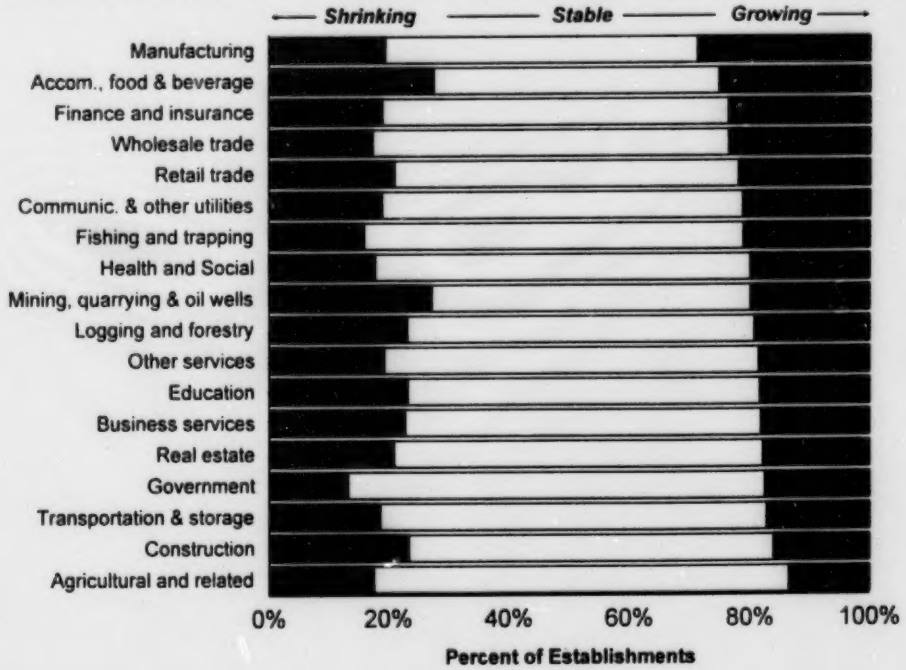
[2] The employee size ranges are as follows: 1-4, 5-9, 10-19, 20-49, 50-99, 100-199, 200-499, 500-999, 1000-1499, 1500-2499, 2500-4999, 5000 and over.

[3] Some establishments moved to a different region between 1993 and 2001. For these businesses, their location in 2001 is the region that is used here.

Small Business Employment Change by Region, 1993-2001



Small Business Employment Change by Industry, 1993-2001



The Mount Waddington region suffered the largest percentage of small businesses shrinking in employee size, at 27%. The Nanaimo region was ranked second with 26%

Change in size by industry[4]

The manufacturing sector had the highest percentage of small businesses (29%) moving up at least one employee size class. Accommodation, food and beverage services industries were ranked second with 25% of small businesses in that sector growing between 1993 and 2001. However, this sector also had the highest percentage (28%) of small businesses that were reduced in size over that period. As a result, more businesses in accommodation, food and beverage services industries dropped at least one employee size class than jumped to a higher class.

Government services and agriculture and related services industries experienced the least change in employee size with 69% remaining in the same employee size category. Many of the agricultural businesses are small family-based operations and it makes sense that there would be little variation in business size.

The manufacturing sector had the greatest incidence of small businesses expanding into large businesses over the 1993 to 2001 period. There were 315 establishments that fell into this category in manufacturing industries. Next, at 238, was retail trade, followed by wholesale trade at 190. For each of these industries, the businesses increasing from small to large enterprises represented between 80 to 85 percent of businesses that experienced a size change (i.e., only 15 to 20 percent were reduced from large to small businesses). The industry with the most large enterprises that were reduced in size to small businesses was accommodation, food and beverage services, with 122 businesses fitting this description. However, there were also 143 small business establishments in this sector that grew to large businesses.

Conclusion

Data from the *Business Register* is sometimes difficult to analyse since the disappearance of an establishment does not necessarily mean that the business has altogether vanished. It could mean that the business merged with another, or experienced some other transformation such that its establishment identification code has changed. For this reason, the comparisons in this paper can only be applied to companies that existed more or less in the same form in both 1993 and 2001. However, such comparisons can still be useful in that they illustrate the fluidity of businesses over time. Both small and large businesses tend to expand and contract due to various economic and social influences. The data shows that there has been mixed success for both small and large businesses over the last eight years. Some of that success may depend on the location or type of business involved.

[4] Some establishments were reclassified to a different industry between 1993 and 2001. For these businesses, their industry in 2001 is that which is used here.

Feature Articles Listed by Issue Number

02-2: *'A Comparison of Small Business Size, 1993 and 2001'* (released Sept.2002)

02-1: *'Will Retiring Boomers Lead to Labour Bust?'* (released Jun.2002)

01-4: *'Expectations of Manufacturers Showing Signs of Improvement'* (released Mar.2002)

01-3: *'Business and Consumer Bankruptcies are on the Rise in BC'* (released Jan.2002)

01-2: *'The Benefits and Costs of a Higher Minimum Wage'* (released Nov.2001)

01-1: *'Small Business On-Line: Internet Use Among SMEs'* (released Sept. 2001)

00-4: *'Co-operatives Grew Steadily Throughout the 1990s'* (released May 2001)

00-3: *'Profile of Self-Employed in British Columbia'* (released Mar.2001)

00-2: *'Latest Small Business Employment Numbers Show Three Year Changes'* (released Jan. 2001)

00-1: *'Some Distinctive Features of The Small Business Workplace'* (released Oct. 2000)

99-4: *'Transfers of Corporate Charters to Other Provinces Suggest Business Migration From British Columbia'* (released July 2000)

99-3: *'755 Thousand British Columbians Rely On Small Businesses For Jobs'* (released Mar 2000)

99-2: *'A Quarter of All Employees In British Columbia Work For Small Employers'* (released Nov 1999)

99-1: *'Self-Employment In British Columbia Takes On New Profile'* (released Sep 1999)

98-4: *'Co-Operative Movement Grows Through the 1990s'* (released Apr 1999)

98-3: *'The Long and the Short of Working Hours For Self-Employed'* (released Dec1998)

98-2: *'People Trying Self-Employment As A Second Job'* (released Aug 1998)

98-1: *'British Columbians Still Making Their Own Jobs'* (released May 1998)

97-4: *'Business Bankruptcies Ease With Low Interest Rates, But Consumer Bankruptcies Continue to Climb'* (released Mar 1998)

97-3: *'Co-operative Movement Grows Steadily In British Columbia'* (released Jan 1998)

97-2: *'Doing Our Thing In Lotusland – The New Self-Employed In British Columbia'* (released Sep 1997)

97-1: *'Immigrants Boost Self-Employment In British Columbia'* (released Aug 1997)

96-4: *'More British Columbia Companies Shift Corporate Charters to Alberta and Ontario'* (released Apr 1997)

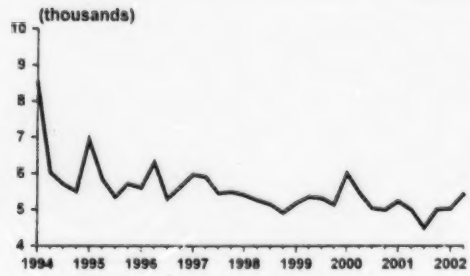
96-3: *'Changes in Business Confidence Expressed In Numbers of New Incorporations'* (released Mar 1997)

96-2: *'Bankruptcies Rise With Self-Employment and Mounting Consumer Debt Loads'* (released Oct 1996)

96-1: *'Counting the Business Community in British Columbia'* (released Jul 1996)

Business Counts, Formations and Failures

New Business Incorporations in British Columbia



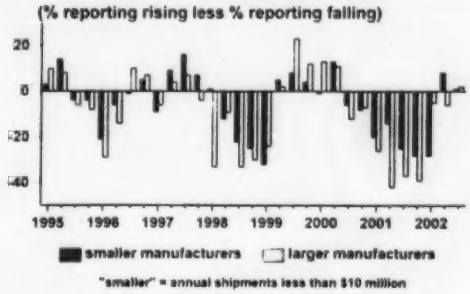
Number of Business Bankruptcies in British Columbia

Self-Employed Persons

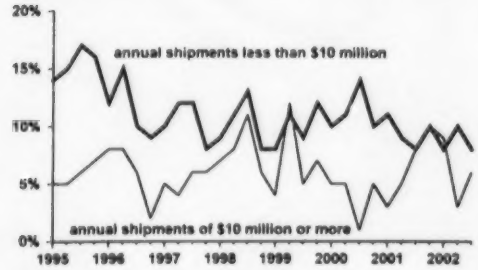
Small Businesses With Employees

Business Conditions

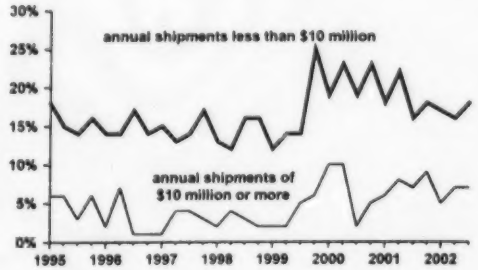
Balance of Opinion on New Orders Received at Start of Quarter



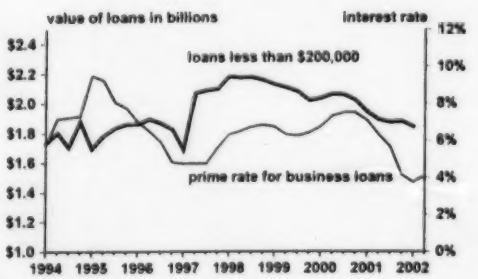
Per Cent of Manufacturers Experiencing Shortage of Working Capital



Per Cent of Manufacturers Experiencing Shortage of Skilled Labour



Chartered Bank Business Loans in British Columbia



Small Business Quarterly

Table 1

Period	Active Employer Businesses [1] by number of employees					Employment [2] by number of employees in business				Self-employed [3]		
	Total	1-4	5-9	10-19	20-49	Total [4]	1-19	20-49	50+	Total [5]	with paid help	without paid help
	('000)					('000)				('000)		
Annual Averages												
1995	143.7	84.7	26.0	17.6	10.7					302.5	127.3	169.7
1996	148.2	87.9	26.5	18.1	10.8					321.3	127.3	189.3
1997	150.9	87.2	27.5	19.2	11.7					361.4	129.0	225.9
1998	153.7	91.6	26.9	18.2	11.5					388.6	123.6	258.3
1999	154.6	92.0	26.8	18.2	11.9					392.6	132.5	254.9
2000	156.6	90.5	27.5	19.3	13.0	1,567.8	411.8	182.0	974.0	366.1	121.0	239.2
2001	156.9	91.5	27.2	18.5	12.4	1,588.4	412.3	186.4	989.8	360.4	123.1	233.3
% change 2000-2001	0.1%	1.1%	-1.1%	-3.8%	-4.4%	1.3%	0.1%	2.4%	1.6%	-1.6%	1.7%	-2.5%
Quarterly	*End of Quarter*					*Quarterly*				*Quarterly Averages*		
1999 Q1	153.5	91.2	26.8	18.2	11.7					394.9	125.7	264.9
Q2	154.6	92.2	26.8	18.2	11.8					399.7	132.3	263.0
Q3	155.2	92.6	26.7	18.2	12.1					392.2	140.2	246.1
Q4	154.9	92.0	26.8	18.2	12.2					383.6	131.8	245.5
2000 Q1	155.4	90.6	27.4	18.9	12.6	1,511.0	398.4	173.4	939.1	392.8	124.7	262.6
Q2	156.6	89.8	27.8	19.6	13.3	1,576.6	414.0	182.7	979.9	360.6	122.9	230.4
Q3	157.2	90.9	27.6	19.5	13.1	1,586.1	422.0	189.6	974.5	358.1	118.5	232.6
Q4	157.4	90.8	27.4	19.1	12.9	1,597.4	412.9	182.2	1,002.4	353.0	117.7	231.4
2001 Q1	156.6	90.1	27.4	19.0	12.8	1,567.3	404.1	179.1	984.0	346.9	123.1	221.1
Q2	156.6	91.1	27.3	18.5	12.4	1,601.4	413.3	188.3	999.8	359.2	120.5	234.4
Q3	156.9	92.0	27.1	18.4	12.3	1,596.5	419.8	193.7	983.1	372.4	128.9	239.8
Q4	157.4	92.7	27.1	18.3	12.2	1,588.3	411.8	184.4	992.2	363.2	119.7	238.0
2002 Q1	156.2	91.9	27.0	18.2	12.1	1,565.2	401.6	181.8	981.8	366.1	116.3	246.2
Q2	156.5	91.7	27.0	18.2	12.3	-	-	-	-	376.0	129.7	245.0
% change year-over-year last available quarter	0.0%	0.6%	-1.1%	-1.4%	-1.3%	-0.1%	-0.6%	1.5%	-0.2%	4.7%	7.6%	4.5%
Monthly												
Sep-01										364.8	126.6	234.9
Oct-01										366.8	128.4	233.6
Nov-01										365.3	118.2	241.4
Dec-01										357.6	112.5	239.0
Jan-02										367.3	112.1	249.2
Feb-02										361.7	117.8	241.4
Mar-02										369.3	119.1	248.1
Apr-02										375.3	126.2	247.4
May-02										374.9	133.5	239.7
Jun-02										377.8	129.3	248.0
Jul-02										379.3	134.4	241.5
Aug-02										382.1	122.4	256.9
year-to-date	156.4	91.8	27.0	18.2	12.2	1,565.2	401.6	181.8	981.8	373.5	124.4	246.5
% change year-over-year last available month										2.0%	-9.9%	9.2%

Notes:

[1] Source: Business Register

[2] Source: Survey of Employment, Payroll and Hours

[3] Source: Labour Force Survey

[4] Industrial aggregate excluding unclassified

[5] Total self-employed includes persons working in family business without pay

Source: Statistics Canada.

Copyright material reproduced with permission.

Period	Business Formation Indicators: New BC Business Incorporations	Business Formation Indicators: Registrations Extraprovincial Companies (number)	Business Formation Indicators: Registrations Unincorporated Businesses	Bankruptcies: Business (number)	Bankruptcies: Consumer (number)
Annual Totals					
1995	23,846	1,966	19,279	973	4,747
1996	22,848	2,061	20,367	948	6,436
1997	22,958	2,188	19,863	895	7,366
1998	20,759	2,233	19,507	1,031	7,327
1999	21,009	2,366	20,917	1,075	8,179
2000	21,515	2,528	20,822	976	9,181
2001	19,749	2,479	21,306	1,100	9,474
% change 2000-2001	-8.2%	-1.9%	2.3%	12.7%	3.2%
Quarterly Totals					
1998 Q1	5,412	632	4,668	206	1,663
Q2	5,270	584	5,907	261	2,107
Q3	5,154	525	4,749	289	1,752
Q4	4,923	492	4,183	275	1,805
1999 Q1	5,188	578	5,015	284	2,024
Q2	5,362	637	5,612	274	2,138
Q3	5,322	556	5,093	274	1,919
Q4	5,137	595	5,197	243	2,098
2000 Q1	6,011	651	5,626	250	2,354
Q2	5,471	680	5,590	243	2,350
Q3	5,044	578	5,026	251	2,216
Q4	4,989	619	4,580	232	2,261
2001 Q1	5,236	714	5,400	272	2,503
Q2	4,997	663	5,853	270	2,483
Q3	4,504	546	4,959	236	2,232
Q4	5,012	556	5,094	322	2,256
2002 Q1	5,035	604	5,335	325	2,469
Q2	5,417	616	6,220	299	2,472
year last available quarter	8.4%	-7.1%	6.3%	10.7%	-0.4%
Monthly					
Sep-01	1,383	159	1,297	70	711
Oct-01	1,785	219	1,992	117	840
Nov-01	1,667	193	1,803	109	795
Dec-01	1,560	144	1,299	96	621
Jan-02	1,504	165	1,807	103	805
Feb-02	1,876	214	1,890	118	803
Mar-02	1,655	225	1,638	104	861
Apr-02	1,944	210	2,339	119	846
May-02	1,849	216	2,115	97	817
Jun-02	1,624	190	1,766	83	809
Jul-02	2,034	211	2,209	-	-
Aug-02	1,524	163	1,713	-	-
year-to-date	14,010	1,594	15,477	624	4,941
% change year-over-year last available month	-0.8%	-4.1%	-16.6%	-5.7%	-4.5%

Sources: BC Ministry of Finance and Corporate Relations, Industry Canada.

Period	Interest Rates			Exchange Rate	Consumer Price Index		
	Bank Rate	Prime Rate	Conventional 5 Year Mortgage	Canadian $ Average Noon Spot Rate	BC	Vancouver*	Victoria*
	(per cent)			(U.S. ¢)	(1992=100)		
Annual Averages							
1996	4.53	6.06	7.93	73.34	108.9	109.2	108.7
1997	3.52	4.96	7.07	72.24	109.7	109.8	109.7
1998	5.10	6.60	6.93	67.48	110.0	110.4	110.0
1999	4.92	6.44	7.56	67.32	111.2	111.4	111.1
2000	5.77	7.27	8.35	67.34	113.3	113.9	113.0
2001	4.31	5.81	7.40	64.58	115.2	116.0	114.3
% change 2000-2001	N/A	N/A	N/A	-4.1%	1.7%	1.8%	1.2%
difference 2000-2001	-1.46	-1.46	-0.95	N/A	N/A	N/A	N/A
Quarterly Averages							
1999 Q1	5.17	6.75	6.92	66.17	110.1	110.3	110.0
Q2	4.83	6.33	7.32	67.90	111.2	111.4	111.1
Q3	4.75	6.25	7.75	67.30	112.0	112.1	111.9
Q4	4.92	6.42	8.25	67.90	111.6	111.8	111.5
2000 Q1	5.25	6.75	8.48	68.80	111.7	112.1	111.5
Q2	5.83	7.33	8.52	67.56	112.8	113.3	112.7
Q3	6.00	7.50	8.25	67.47	114.2	115.0	113.7
Q4	6.00	7.50	8.15	65.55	114.4	115.1	114.0
2001 Q1	5.58	7.08	7.58	65.47	113.5	114.4	112.5
Q2	4.83	6.33	7.67	64.89	115.6	116.3	114.8
Q3	4.17	5.67	7.50	64.69	116.4	117.2	115.4
Q4	2.67	4.17	6.87	63.28	115.2	116.0	114.6
2002 Q1	2.25	3.75	7.05	62.72	116.0	116.8	115.5
Q2	2.58	4.08	7.37	64.35	118.0	118.8	117.5
% change year-over-year last available quarter	N/A	N/A	N/A	-0.8%	2.0%	2.1%	2.4%
difference year-over-year last available quarter	-2.25	-2.25	-0.30	N/A	N/A	N/A	N/A
Monthly							
Sep-01	3.75	5.25	7.15	63.79	116.7	117.5	115.7
Oct-01	3.00	4.50	6.90	63.65	115.8	116.5	115.2
Nov-01	2.50	4.00	6.85	62.80	114.9	115.6	114.4
Dec-01	2.50	4.00	6.85	63.39	114.8	115.8	114.3
Jan-02	2.25	3.75	7.00	62.49	115.4	116.3	114.9
Feb-02	2.25	3.75	6.85	62.66	115.9	116.6	115.4
Mar-02	2.25	3.75	7.30	63.01	116.6	117.4	116.1
Apr-02	2.50	4.00	7.45	63.24	117.7	118.4	117.1
May-02	2.50	4.00	7.40	64.53	118.1	119.0	117.6
Jun-02	2.75	4.25	7.25	65.29	118.2	119.0	117.8
Jul-02	3.00	4.50	7.05	64.69	118.5	119.2	118.1
Aug-02	3.00	4.50	6.80	63.78	-	-	-
% change year-over-year last available month	N/A	N/A	N/A	-1.8%	1.9%	1.9%	2.3%
difference year-over-year last available month	-1.25	-1.25	-0.80	N/A	N/A	N/A	N/A

* Census Metropolitan Area

Period	Commercial Building Permits			Industrial Building Permits			Urban Housing Starts	
	BC	Vancouver*	Victoria*	BC	Vancouver*	Victoria*	BC	Vancouver*
	($ thousands)			($ thousands)			(number)	
Annual Totals								
1994	1,075,471	632,415	84,002	175,311	69,495	7,963	34,619	20,473
1995	1,023,877	597,580	57,744	247,133	109,178	10,626	23,604	14,992
1996	1,225,837	675,541	88,661	252,646	151,875	5,499	24,744	15,453
1997	1,358,450	849,207	78,280	285,814	163,773	6,777	25,210	15,950
1998	1,311,124	810,117	76,173	273,279	160,652	15,858	17,631	11,878
1999	1,142,105	652,159	101,453	319,145	172,604	5,931	14,176	8,677
2000	1,297,270	868,865	76,834	295,525	147,574	14,763	12,353	8,203
2001	1,171,233	718,860	86,782	221,353	105,178	21,843	15,689	10,862
% change 2000-2001	-9.7%	-17.3%	12.9%	-25.1%	-28.7%	48.0%	27.0%	32.4%
Quarterly Totals								
1998 Q1	242,540	170,981	12,321	66,397	47,375	6,817	4,067	2,880
Q2	345,884	189,811	36,755	57,163	27,264	4,232	4,957	3,318
Q3	416,912	261,252	13,048	97,057	60,509	1,566	5,291	3,489
Q4	305,788	188,073	14,049	52,662	25,504	3,243	3,316	2,191
1999 Q1	226,757	135,329	25,624	41,266	17,534	3,190	2,709	1,951
Q2	311,707	170,971	19,066	103,901	71,354	789	3,507	1,861
Q3	311,474	193,701	21,393	109,850	62,438	479	4,148	2,497
Q4	292,167	152,158	35,370	64,128	21,278	1,473	3,812	2,368
2000 Q1	310,172	243,234	10,966	60,084	20,194	1,258	2,219	1,527
Q2	363,163	205,899	30,805	83,816	44,182	6,223	3,559	2,468
Q3	336,460	218,441	17,911	78,563	41,930	364	3,310	1,989
Q4	287,475	201,291	17,152	73,062	41,268	6,918	3,265	2,219
2001 Q1	273,963	162,249	23,467	65,245	30,677	9,657	2,946	2,149
Q2	406,173	271,274	26,720	56,965	21,011	2,133	4,619	3,620
Q3	280,778	159,138	15,570	57,121	29,033	7,512	4,176	2,802
Q4	210,319	126,199	21,025	42,022	24,457	2,541	3,948	2,291
2002 Q1	193,334	121,468	18,170	25,849	12,710	2,091	3,659	2,285
Q2	353,017	264,566	28,515	76,394	42,047	3,452	5,279	3,548
% change year-over-year last available quarter	-13.1%	-2.5%	6.7%	34.1%	100.1%	61.8%	14.3%	-2.0%
Monthly								
Sep-01	69,452	36,551	7,462	16,860	10,110	239	1,487	952
Oct-01	103,408	78,083	5,636	17,653	9,748	1,376	1,529	788
Nov-01	54,871	26,654	2,394	14,551	7,475	739	1,376	750
Dec-01	52,040	21,462	12,995	9,818	7,234	426	1,043	753
Jan-02	67,307	41,084	4,567	9,047	4,583	633	1,310	1,001
Feb-02	53,589	28,893	9,316	7,837	4,898	1,081	1,049	519
Mar-02	72,438	51,491	4,287	8,965	3,229	377	1,300	765
Apr-02	108,747	86,387	5,600	40,967	32,058	176	1,149	680
May-02	88,763	51,514	17,086	13,147	5,860	84	1,971	1,339
Jun-02	155,507	126,665	5,829	22,280	4,129	3,192	2,159	1,529
Jul-02	93,915	52,735	10,211	44,221	32,069	2,077	1,924	1,161
Aug-02	-	-	-	-	-	-	-	-
year-to-date	640,266	438,619	56,896	146,464	86,626	7,620	10,862	6,994
% change year-over-year last available month	-16.7%	-32.4%	91.6%	119.1%	358.1%	-53.6%	28.3%	4.5%

* Census Metropolitan Area

Sources: Canada Mortgage and Housing, Statistics Canada.

Copyright material reproduced with permission..

Period	Chartered Bank Business Loans in British Columbia			
	Less than $200,000	$200,000 to $500,000	Greater than $500,000	Total
	($ millions)			
Annual Averages				
1993	1,480	1,003	8,897	11,380
1994	1,779	1,222	8,551	11,551
1995	1,791	1,451	9,043	12,284
1996	1,861	1,508	9,162	12,530
1997	1,985	1,724	10,081	13,790
1998	2,172	1,825	11,077	15,074
1999	2,084	1,710	10,807	14,601
2000	2,045	1,605	10,575	14,224
2001	1,896	1,516	9,746	13,158
% change 2000-2001	-7.3%	-5.5%	-7.8%	-7.5%
Quarterly				
1995 Q1	1,694	1,413	9,268	12,375
Q2	1,779	1,457	9,047	12,283
Q3	1,832	1,462	9,020	12,314
Q4	1,859	1,471	8,835	12,165
1996 Q1	1,860	1,487	8,988	12,335
Q2	1,893	1,512	9,094	12,499
Q3	1,864	1,501	9,252	12,617
Q4	1,825	1,533	9,312	12,670
1997 Q1	1,686	1,534	9,853	13,073
Q2	2,068	1,751	9,751	13,570
Q3	2,088	1,770	10,337	14,195
Q4	2,098	1,841	10,384	14,323
1998 Q1	2,180	1,842	11,115	15,137
Q2	2,174	1,842	11,338	15,354
Q3	2,178	1,816	11,104	15,098
Q4	2,157	1,801	10,750	14,708
1999 Q1	2,128	1,792	10,908	14,828
Q2	2,108	1,735	10,975	14,818
Q3	2,080	1,686	10,876	14,642
Q4	2,020	1,627	10,467	14,114
2000 Q1	2,035	1,631	10,636	14,302
Q2	2,063	1,638	10,812	14,513
Q3	2,059	1,586	10,608	14,253
Q4	2,021	1,564	10,244	13,829
2001 Q1	1,942	1,561	10,171	13,674
Q2	1,890	1,539	9,552	12,981
Q3	1,873	1,502	9,599	12,974
Q4	1,879	1,461	9,662	13,002
2002 Q1	1,842	1,484	9,912	13,238
Q2	-	-	-	-
% change year-over-year last available quarter	-5.1%	-4.9%	-2.5%	-3.2%

Source: Bank of Canada.

Period	Manufacturers' Outlook for Business Conditions Companies With Annual Shipments Less Than $10 Million Balance of Opinion at the Beginning of Quarter* (net of positive & negative percentages) Inventory Levels High or Low	Orders Rising or Falling	Anticipated Production This Quarter	Percent of Manufacturers Experiencing Production Difficulties From: Working Capital Shortage	Skilled Labour Shortage	Unskilled Labour Shortage
	(index)			(%)		
Annual Averages						
1996	4	-6	-2	12	15	1
1997	3	6	4	11	15	2
1998	7	-15	-9	10	14	1
1999	6	-4	7	10	16	1
2000	7	-1	5	11	21	2
2001	10	-22	-10	10	19	3
Quarterly						
1996 Q1	3	-21	-21	12	14	2
Q2	10	-6	15	15	14	0
Q3	1	-1	6	10	17	1
Q4	1	5	-9	9	14	2
1997 Q1	0	-9	-10	10	15	2
Q2	0	9	25	12	13	1
Q3	8	16	13	12	14	1
Q4	4	7	-11	8	17	3
1998 Q1	6	1	-9	9	13	0
Q2	6	-12	18	11	12	1
Q3	9	-22	-15	13	16	0
Q4	8	-25	-29	8	16	3
1999 Q1	6	-32	-20	8	12	2
Q2	5	5	29	11	14	0
Q3	8	8	21	9	14	1
Q4	4	4	-3	12	25	2
2000 Q1	4	-1	-5	10	19	1
Q2	9	13	24	11	23	2
Q3	7	-6	7	14	19	2
Q4	6	-8	-5	10	23	4
2001 Q1	7	-20	-8	11	18	2
Q2	13	-14	13	9	22	3
Q3	8	-25	-7	8	16	2
Q4	11	-28	-37	10	18	3
2002 Q1	4	-28	-15	8	17	4
Q2	1	8	25	10	16	2
Q3	0	1	1	8	18	4

* **Note:** For Inventory Levels, a positive balance indicates too much inventory, and is thus unfavourable. For New Orders and Production, a positive balance of opinion is favourable.

Note: These data are gathered from the *Business Conditions Survey* which is conducted quarterly in January, April, July and October. Most responses are recorded in the first two weeks of these months. Manufacturers with more employees have a correspondingly larger impact on the results.

Source: Statistics Canada.
Copyright material reproduced with permission.

Manufacturers' Outlook for Business Conditions
Companies With Annual Shipments of $10 Million or More

Period	Balance of Opinion at the Beginning of Quarter* (net of positive & negative percentages)			Percent of Manufacturers Experiencing Production Difficulties From:		
	Inventory Levels High or Low	Orders Rising or Falling	Anticipated Production This Quarter	Working Capital Shortage	Skilled Labour Shortage	Unskilled Labour Shortage
	(index)			(%)		
Annual Averages						
1996	30	-7	-7	6	3	0
1997	29	0	4	5	3	0
1998	37	-26	-7	8	3	0
1999	18	3	6	7	4	0
2000	20	1	3	4	7	2
2001	35	-36	-13	7	8	1
Quarterly						
1996 Q1	37	-29	-12	8	2	0
Q2	33	-14	-3	8	7	0
Q3	29	10	-2	6	1	0
Q4	21	7	-10	2	1	0
1997 Q1	31	-6	-1	5	1	0
Q2	31	4	15	4	4	0
Q3	24	7	13	6	4	0
Q4	28	-4	-13	6	3	0
1998 Q1	42	-33	-22	7	2	0
Q2	34	-9	1	8	4	0
Q3	33	-33	-2	11	3	0
Q4	38	-30	-4	6	2	1
1999 Q1	25	-24	-4	4	2	0
Q2	22	2	8	12	2	0
Q3	14	23	18	5	5	0
Q4	11	12	0	7	6	0
2000 Q1	14	13	8	5	10	3
Q2	24	11	10	5	10	3
Q3	29	-12	2	1	2	0
Q4	11	-7	-8	5	5	0
2001 Q1	32	-26	-12	3	6	0
Q2	38	-42	-3	5	8	0
Q3	39	-37	-19	8	7	1
Q4	31	-39	-17	10	9	1
2002 Q1	17	-5	-3	9	5	1
Q2	16	-6	5	3	7	0
Q3	17	2	3	6	7	0

* **Note:** For Inventory Levels, a positive balance indicates too much inventory, and is thus unfavourable. For New Orders and Production, a positive balance of opinion is favourable.

Note: These data are gathered from the *Business Conditions Survey* which is conducted quarterly in January, April, July and October. Most responses are recorded in the first two weeks of these months. Manufacturers with more employees have a correspondingly larger impact on the results.

Source: Statistics Canada.
Copyright material reproduced with permission.